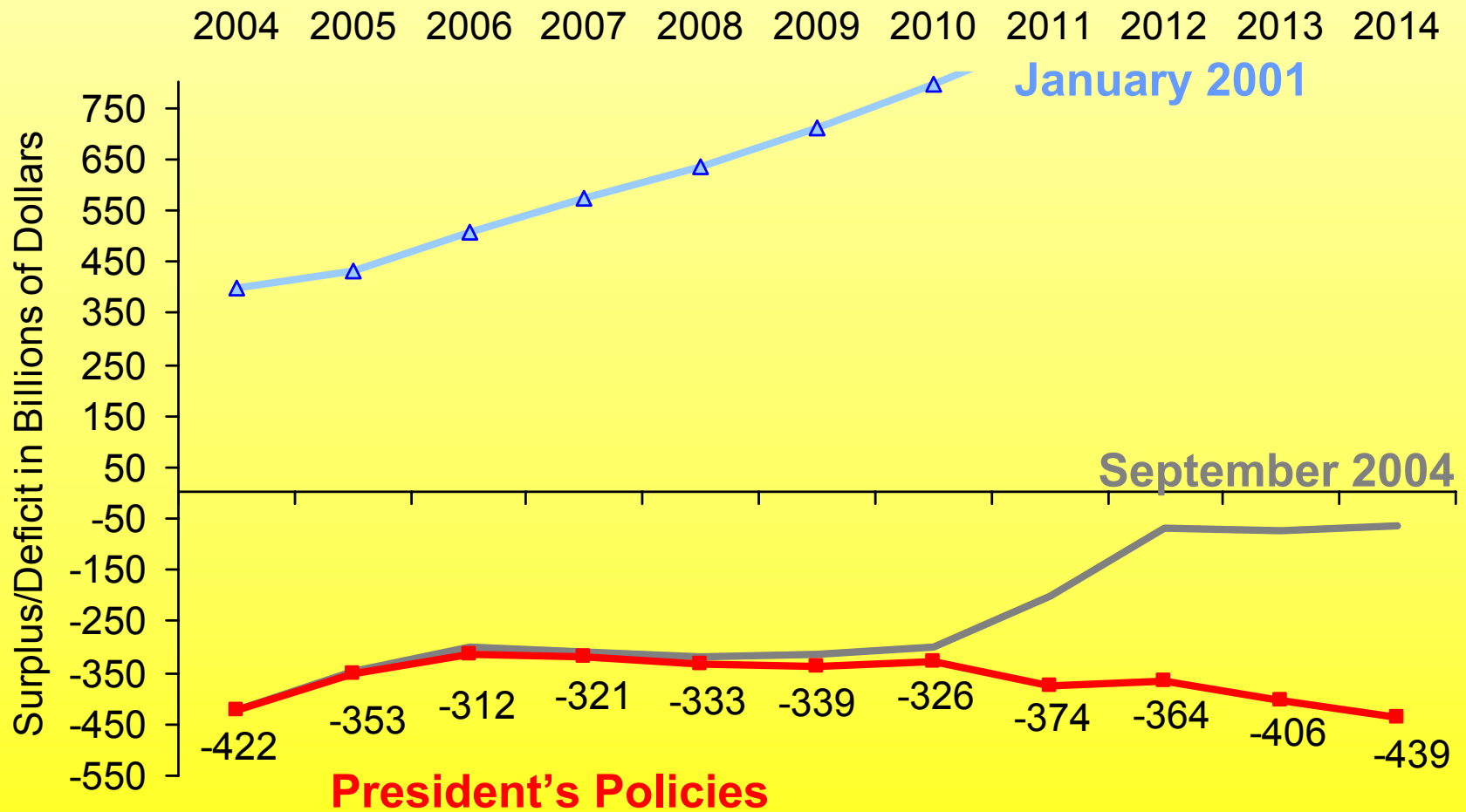


CBO's Estimate of the President's Budget Policies

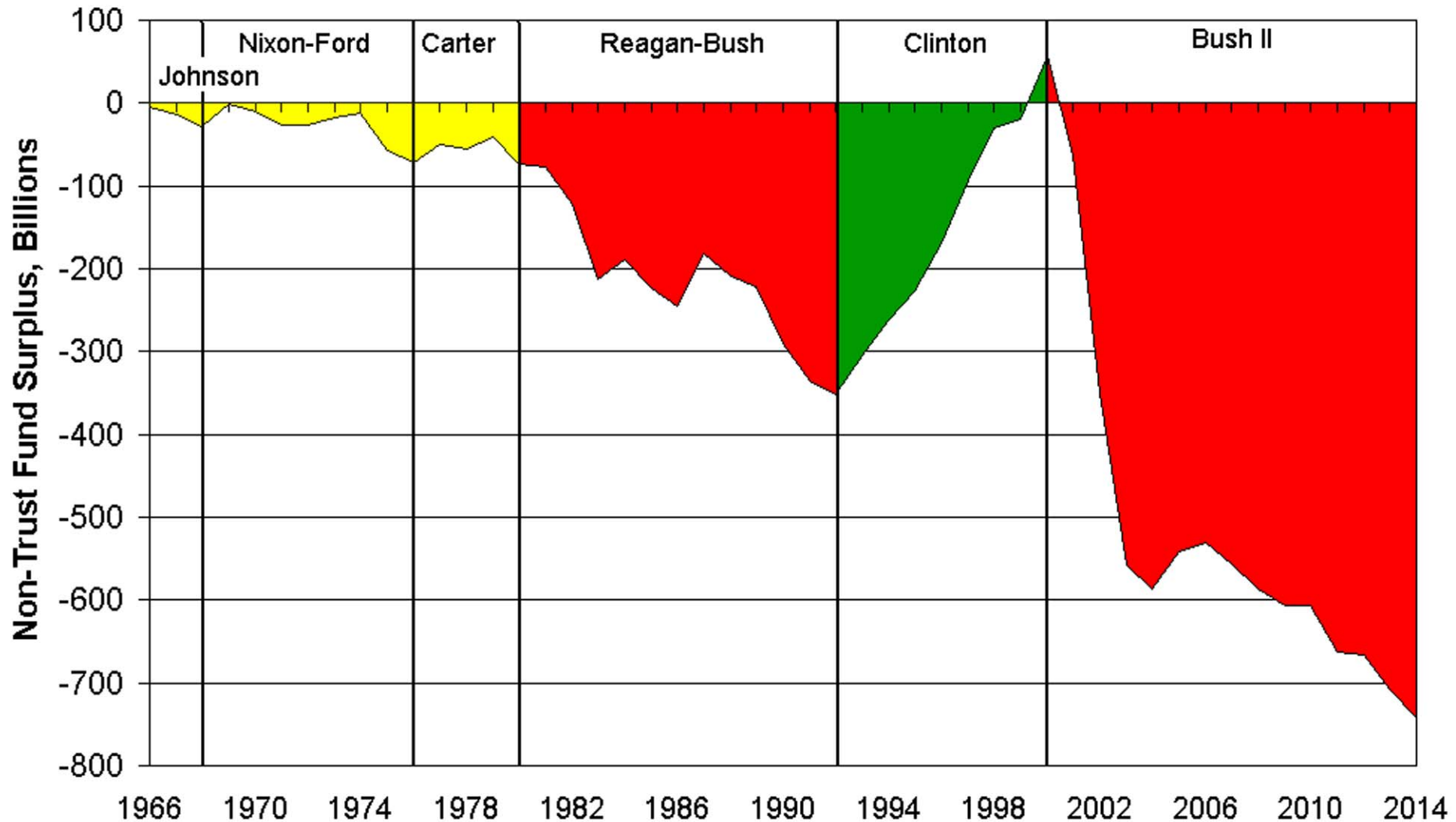
September 23, 2004

CBO Estimate Shows Bleaker Budget Outlook Than Before



A Fiscal Opportunity Lost

Total Surplus or Deficit without Social Security or Medicare Trust Fund Surpluses

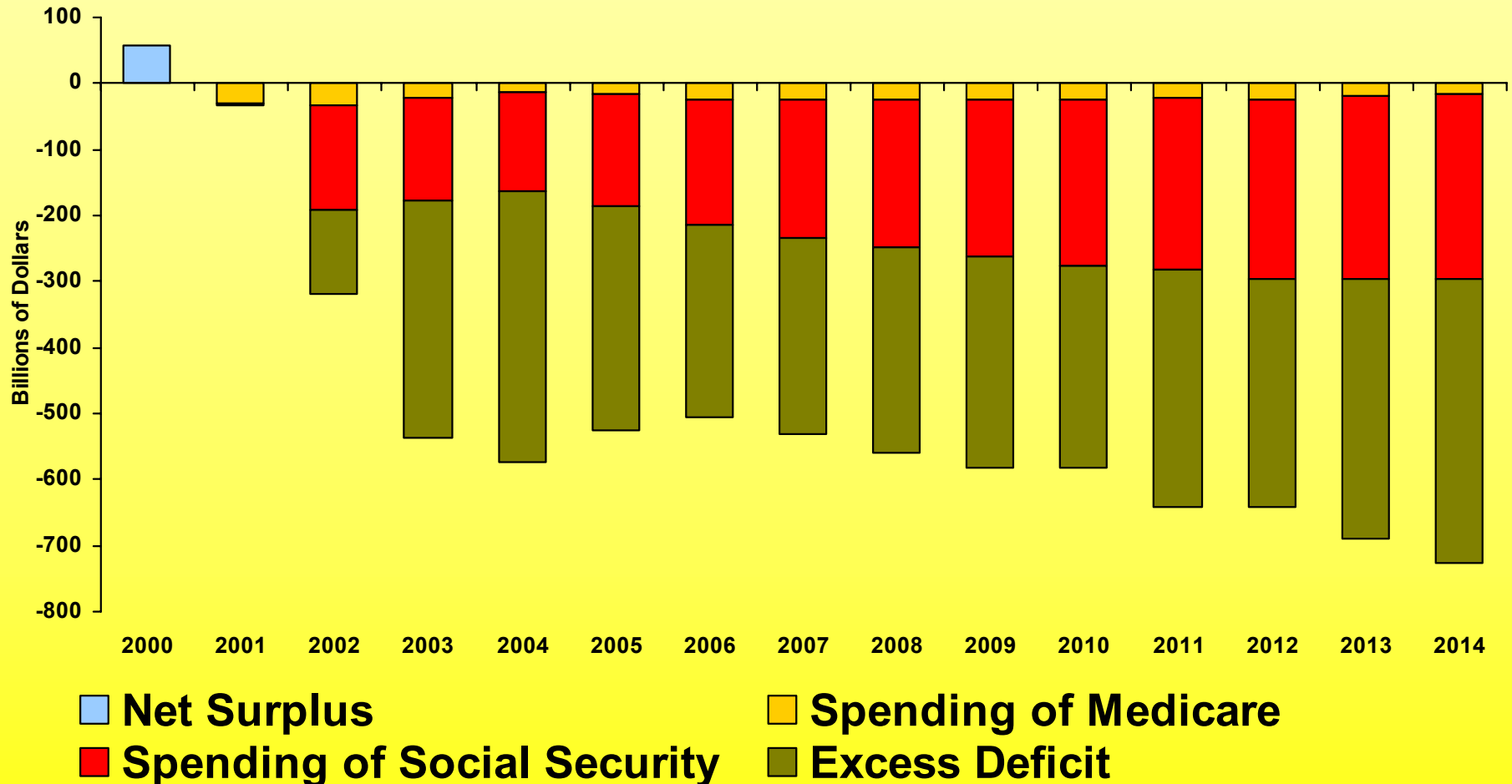


Surplus Declines \$8.9 Trillion Under President's Policies

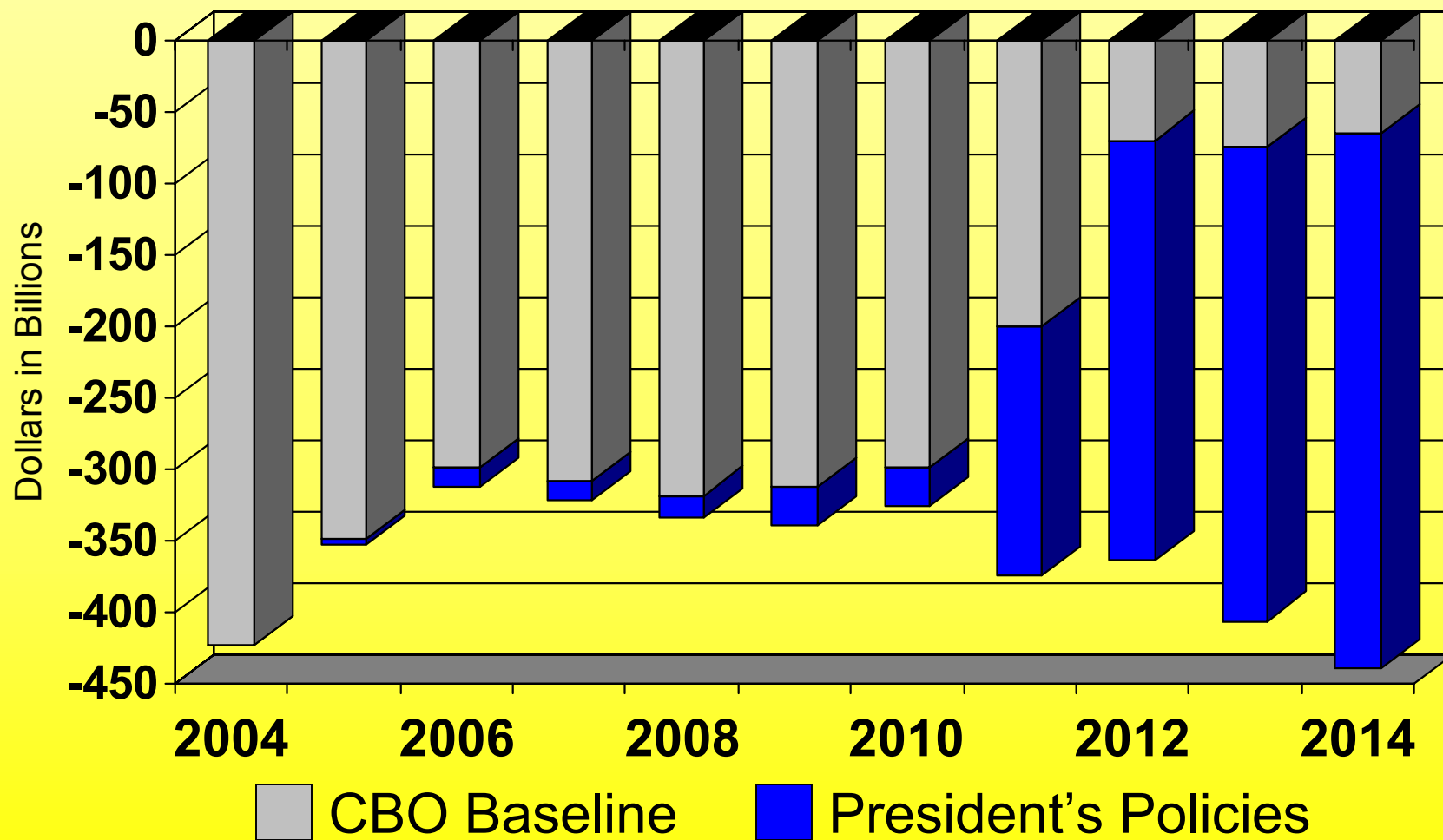
Unified Budget Surplus, Trillions of Dollars

	2002-2011
January 2001	5.610
August 2001	3.397
January 2002	1.601
August 2002	0.336
January 2003	0.020
September 2004	-3.037
<i>plus President's policies</i>	-3.313

President's Policies Spend Social Security and Medicare



President's Policies Produce Worse Deficits than CBO Baseline



CBO Adjusted the September Baseline for President's Policies

- Permanent Extension of the 2001 and 2003 Tax Cuts
- Complete Alternative Minimum Tax Repair
- Discretionary Spending at President's Requested Levels
- CBO Cost Estimate for Ongoing Operations in Iraq and Afghanistan

Components of the President's Agenda Still Not Included in These CBO Estimates

- President's Plan to Privatize Social Security
- Realistic Non-Defense Discretionary Spending Levels